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The paradox of the African state in a post-COVID world – problem or solution?

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Summary

The COVID-19 pandemic could ring in Africa's sustained structural transformation. At the same time, failing to grasp the opportunities offered by the changing landscape could see it flounder under the impact of economic and COVID-19-induced shocks. This paper analyses the pandemic's implications for governance on the continent, specifically the social contract between states and citizens. It also shines a light on its impact on the geopolitical, economic, security and business spheres, and how African leaders can rise to the challenge.

Key points

- The pandemic has re-emphasised the role and importance of the state in the post-COVID-19 era. In a time of bigger government with an expanding reach and relevance, this will have significant governance implications for Africa. With continued weak governance, ineffective institutions and limited resources, political and economic pressures will intensify across the continent.
- COVID-19 could also be a catalyst for positive change in Africa, ushering in structural transformation and pan-African collaboration. Using the opportunity effectively will give Africa more sway in international affairs amid an ongoing realignment of global relations.
- Recalibrating the social contract between the state and its citizens and restoring public trust in government will be vital to the continent's long-term success.
- The interplay between global superpowers will have profound ripple effects on the continent's economic wellbeing. Africa should exploit this competition via economic diplomacy.
- Economically, combatting debt, disease and dysfunction will remain the critical priorities. Significant opportunities also exist in Africa's technicolour economy. Greater diversification and localisation drives, underpinned by the African Continental Free Trade Area (AfCFTA), will create opportunities for investors.

Key points (continued)

- Reversing anti-democratic trends in the region will require a multi-stakeholder approach. At the same time, a younger, more female and tech-savvy form of leadership is required for the continent to effectively respond to its changing demographic landscape.
- Food, physical and economic insecurity presents a serious threat to the continent's development and has the potential to magnify conflict.
- Policymakers will need to skilfully navigate a complex set of domestic and external challenges. Doing so successfully will require prioritising African solutions to African problems.
- Failure to adopt radical reformist measures will see Africa remain a laggard continent, with grave socioeconomic consequences.

Introduction

COVID-19 has had many destructive consequences for the global political economy. The viral pandemic and resulting economic depression, combined with hyper-nationalism and deep-seated polarisation, suggest we are in the midst of a seminal generational, ideological and geopolitical moment.¹

The paradoxical reality is that the state is both the problem and the solution in the post-COVID-19 era

There has not been a sustained public emergency like this since the end of the Second World War, and the threat of mass unemployment, business failures and widespread poverty looms large.² Notably, the real economic effects are being felt at the same time as the financial effects, and the shock to this system is broad-based, across all industries and all countries.

Countries' varying approaches to crisis management (hard vs soft lockdowns; lives vs livelihoods; people vs the economy) have highlighted the trade-offs and tensions between authoritarianism and democracy, stability and

liberty, and nationalism and globalism.³ In essence, a rethink of the current dominant economic, political and governance models is underway, which is likely to have long-lasting consequences.

Although the African continent has, at face value, coped with the healthcare fallout far better than most regions of the world, the pandemic's true aftershocks have yet to be digested fully. There are profound economic, political, geopolitical, business and security implications for societies. These now need to be navigated by policymakers, amid strained resources and magnified governance challenges.

In this context, the role and function of the state becomes central, given its reach and relevance in everyday life. Put crudely, African states now face an existential dilemma: can they positively disrupt themselves to govern effectively and responsively in the face of these challenges – or will they continue to pursue failed policies and governance models? The paradoxical reality is that the state is both the problem and the solution in the post-COVID-19 era.

Moreover, because these problems are substantially greater in magnitude than those encountered in normal circumstances, the remedial actions need to have far greater breadth and depth than before.⁴ What we need is policy 'sincerity' that reaches to the core of the illness, rather than policy that rushes for remedies that do not address the fundamental social and economic weaknesses that have brought us here.⁵

These are important considerations, especially given the emergence of new and complex threats, increasing state fragility and declining levels of public trust in governments across the continent. In this context, understanding the 'new' function of the state, what this might look like, and how it will operate in this new and uncertain context, requires deeper analysis.

What is clear is that policy configurations must reflect contemporary behavioural and business model shifts.⁶ How Africa's leaders adapt to this new context will determine the continent's long-term success or failure.

In the short term, African states will need to navigate a governance 'triathlon', which entails balancing political, healthcare and economic considerations. Over the longer term, as the contours of the new world begin to take shape, policymakers, business and civil society will need to rethink and reconfigure existing systems, structures and institutions.

The quality of leadership in both the private and public sectors will have to improve dramatically to cope with these challenges. The continent now needs to create more than 11 million jobs⁷ in the formal economy every year to absorb the number of young people entering the workforce. Africa cannot achieve this if it continues doing what it has always done.

More pressingly, achieving success will be determined by how adeptly countries are able to manage the following five relationships:

- Economic: between the state and its creditors
- Political: between the state and its citizens
- Geopolitical: between the state and its international partners
- Security: between the state and non-state actors
- Business: between the state and the private sector

With no indication yet of how long the pandemic will last, long-term policy formation has become even more complicated than usual. This is especially true amid a realignment of system architecture – the future of capitalism and globalisation is likely to change radically, while localisation and digitisation are simultaneously on the rise.

With societies, economies and industries undergoing wholesale change, it is paramount that policies square up to the real problem. This is not about getting back to where we were, but rather how we reshape our social and economic conditions, starting with the pandemics of inequality and the failed socioeconomic fabric.⁸

In many ways the COVID-19 pandemic marks an inflection point for the continent. It could be a catalyst for a sustained structural transformation and an era of pan-African collaboration propelling the growth trajectory, or a continued period of underperformance with the continent remaining a laggard.

The stakes have never been higher.

Aim and objective

This paper analyses these dilemmas while exploring the opportunities and challenges arising from the COVID-19 pandemic. Specifically, it looks at the roles and responsibilities of the African state in this new era, and how the emerging themes and trends could affect socioeconomic stability and governance.

However, an important caveat is necessary. The analysis has adopted a thematic lens and will focus on the evolving landscape and policy choices on a continental level, assessing these from a pan-African rather than country-specific perspective. While this may run the risk of generalisation, practically speaking, it is impossible to cover all these countries in sufficient detail.

The author has attempted to differentiate between countries as far as possible, making use of examples and highlighting exceptions where relevant. Moreover, he acknowledges that Africa is not a country, and that the continent is diverse, varied and complex. Notwithstanding these factors, there are some obvious commonalities across the continent, which form the locus of this paper.

Understanding this vantage point is essential for an effective grasp of the analysis, with the overarching intention being to provide a framework and the context within which Africa's development will occur. In this process, it will identify the common factors that affect the continent as a whole, and alert policymakers and investors to these possibilities and pitfalls.

Background and context

To the surprise of many, Africa experienced a much lower COVID-19 mortality and morbidity rate than other regions of the world in 2020. Many had predicted that the poorest continent, with weak public healthcare systems, would be hardest hit by the pandemic. However, between February and December 2020, Africa accounted for just 3.4% of COVID-19 cases globally and 3.6% of deaths.⁹

Some attribute the relative success to skill, others to luck, but it has been a combination of these factors

Various explanations have been put forward to account for this. These range from Africa's climatic and topographic conditions and its community healthcare systems, to its young population and favourable demographics. Some attribute the relative success to skill, others to luck, but in reality, it has most probably been a combination of these factors.

The good, the bad and the ugly

Of course, on a continent as vast and diverse as Africa, responses have been varied, with some good, some bad and some downright ugly.

Island nations like Mauritius and Seychelles mounted particularly effective and agile responses, and emerged from lockdown far earlier than most of their peers on the continent. Effective tracking and tracing, collaborative engagement with healthcare authorities and strong public buy-in were the key features of these efforts.

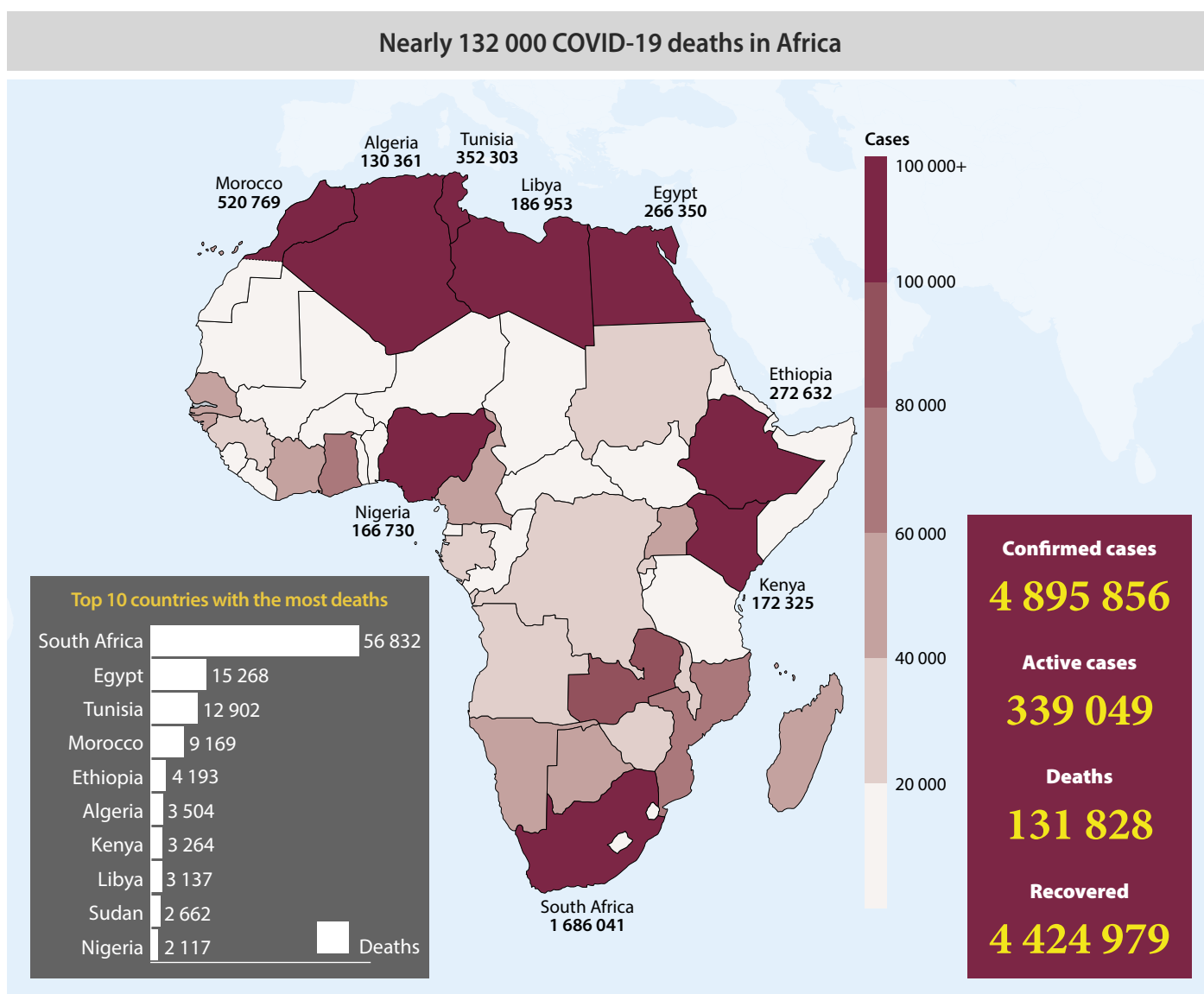
South Africa began well with proactive and decisive measures, but its response suffered in the face of a lack

of consistency, uneven coordination and ideological undertones.

Senegal and Ghana are also examples of countries that did relatively well in curbing the virus by adopting innovative solutions and strong preventative measures early on. However, in January 2021, protests linked to new restrictions erupted in Dakar, in response to their economic impact. This illustrates the fine balancing act between lives and livelihoods, and how lockdown fatigue runs the risk of becoming a catalyst for anti-government protests.¹⁰

At the same time, the COVID-sceptic presidents of Burundi and Tanzania (both of whom have since died

Figure 1: COVID-19 infections across Africa



Source: Updated 5 June 2021, World Health Organization, John Hopkins

from the virus, according to speculation), rejected a scientific approach in managing the pandemic.

The late Tanzanian president, John Magufuli, urged citizens to 'trust in God, not masks'¹¹ and banned the publication of any data on the pandemic. Pierre Nkurunziza infamously expelled critical officials from the World Health Organization (WHO) days before Burundi's election, citing 'interference'. This is a clear example of politics being placed above the pandemic.

These mixed responses are indicative of the varying levels and quality of governance on the continent. They illustrate the stark divergence between governments that adopt scientific and data-driven responses versus those that do not.

Mixed responses illustrate divergence between governments that adopt data-driven responses versus those that do not

Skill or luck?

No analysis should discount the sound governance response mounted by officials, particularly via pan-African agencies. This response was agile and comprehensive, evidenced by the proactive stance adopted by both the Africa Centres for Disease Control and Prevention (Africa CDC) and the African Union (AU) in mobilising resources regionally and interfacing with the WHO.

Similarly, the continent's experience in crisis management, and specifically in dealing with infectious diseases such as Ebola, tuberculosis and cholera, meant that it was able to leverage these experiences to great effect. The fact that the virus arrived in Africa later than on other continents was another advantage that allowed it to prepare adequately with lockdowns, curfews and other measures. These efforts had strong public buy-in.

Although there is, of course, a caveat around testing capacity, suggesting that the death rate may be understated, the continent's response has generally been effective (barring a few glaring exceptions).

No room for complacency

Predictions are a fool's game, but with vicious new variants, lockdown fatigue and a lack of vaccine access, there is significant cause for concern.

Indeed, experts suggest that there is a 'hidden pandemic' on the continent, and that the statistics do not reflect the reality on the ground in many countries.¹² According to Dr Ayoade Alakija, co-chair of the AU Vaccine Delivery Alliance, inadequate testing has masked the true scale of the outbreak.

Since the virus was first detected in Africa in February 2020, only 39.8 million tests have been carried out in a population of 1.2 billion – compared to 114 million in the UK, home to just 66 million people.¹³

Further, a study by Lancet showed that at the peak of the second wave only a third – 36% of African countries – had adequate testing capacity.¹⁴ Add in the statistics from a recent post-mortem surveillance study in Zambia that found COVID-19-related deaths to be many times higher than reported, and this becomes even more concerning.¹⁵

Two key conclusions emerge from this. First, if Africa's low numbers are a matter of inadequate testing, it confirms the hypothesis that there is actually a serious if invisible toll across the continent. The overarching concern here is that the 'absence of evidence' is being widely misconstrued as 'evidence of absence'.

Second, if this is true, it has huge implications for policy design and execution. Understanding the full extent of the disease is critical. If Africans consider themselves less vulnerable, they may be less vigilant about preventative measures such as physical distancing or mask wearing.

It could also encourage foreign governments to view African populations as a lower priority for access to COVID-19 vaccines. In both cases, the consequences could be deadly.

This has raised fears that the worst is still to come for the continent, which lacks both the financial and healthcare firepower to combat the virus effectively. Meanwhile, Africa continues to lag behind the rest of the world in terms of vaccine rollouts. According to the WHO, only 7.7 million vaccine doses have been administered, mainly to high-risk population groups, across a continent home to 1.2 billion people.¹⁶

Figure 2: Vaccination rates across Africa

Number of citizens even partially vaccinated varies greatly across the continent

49 countries have started vaccinating their populations compared to **47 last month**

Only 8 African countries have partially vaccinated over 5% of their population

1.9% of Africa's population has been partially vaccinated and 0.5% fully vaccinated



Sources: Development Reimagined, NY Times. Figures as at 07/06/2021

Africa's third wave

With clear signs that the continent is now experiencing a third wave, policymakers cannot afford to dwell on these initial successes. According to Africa's CDC's Dr John Nkengasong, there are legitimate fears of an India type scenario materialising in Africa, which could lay bare the continent's frail health and economic infrastructure.

The rolling seven-day average of new African cases rose to about 25,000 a day in mid-June 2021 from 7,000 in the middle of May 2021, according to data from Africa's CDC.¹⁷ At the same time, recent data the World Health Organisation has indicated that the pandemic was resurging in 12 African countries. Meanwhile, the highly contagious Delta variant of the coronavirus, first identified in India, has been detected in 14 African countries.¹⁸ The third wave is picking up speed, spreading faster, hitting harder. With rapidly rising case numbers and increasing reports of serious illness, the latest surge threatens

to be Africa's worst yet,' Dr. Matshidiso Moeti, WHO regional director for Africa said.

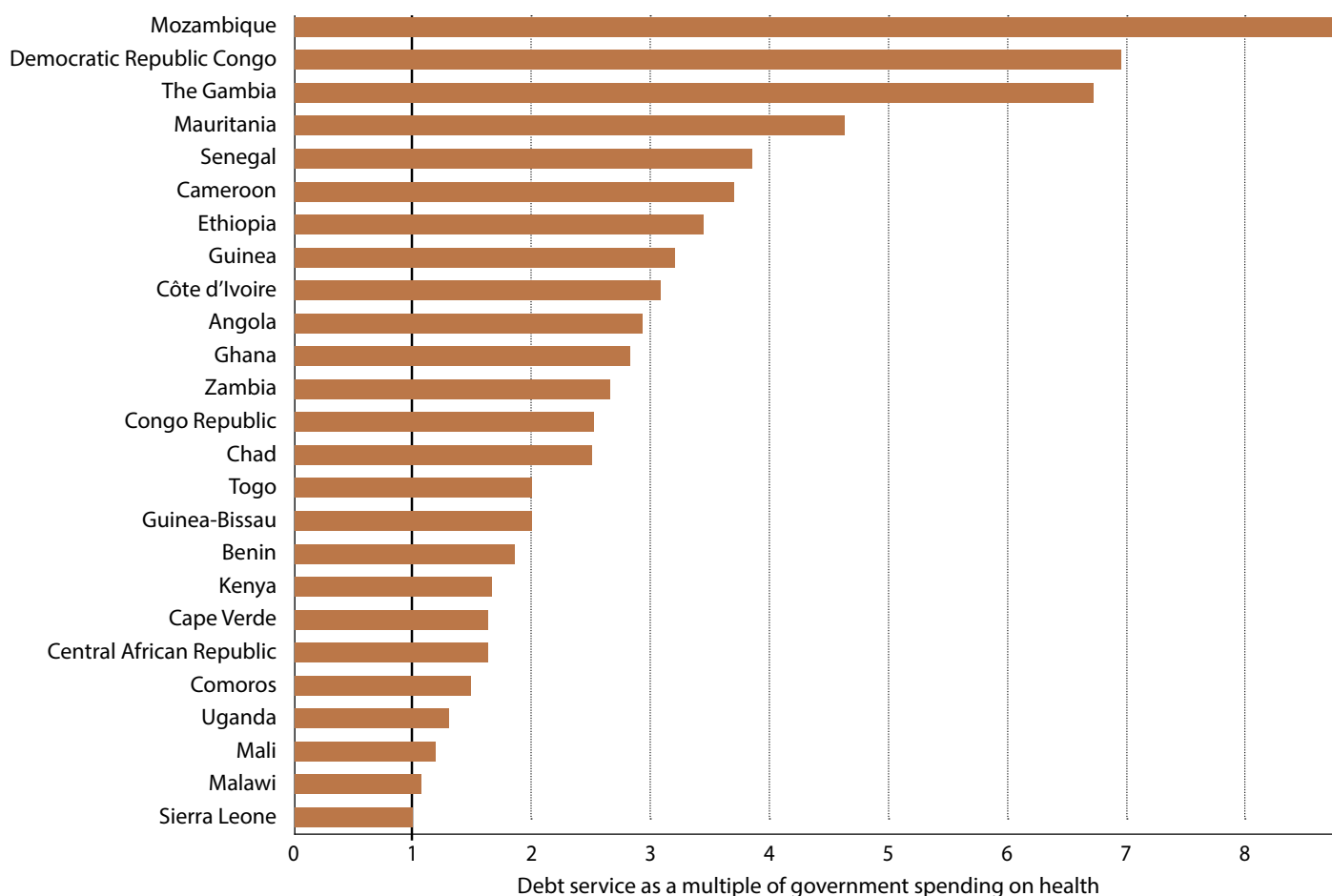
This resurgence comes at a time when Africa is experiencing a severe vaccine shortage, with widespread vaccine access on the continent only expected in 2023. At the time of writing, The WHO estimated that just over 1% of Africans had been fully vaccinated.¹⁹ Staggeringly, while approximately 2.7 billion COVID-19 vaccine shots have been administered globally, just under 1.5% of those shots have been administered in Africa.²⁰

Understanding the impact of COVID-19 on Africa

Economic impact of COVID-19 on Africa

2020 was an *annus horribilis* for most of Africa. According to the International Monetary Fund (IMF), the continent experienced its first recession in 25 years,

Figure 3: Debt service as a multiple of healthcare spending across Africa



Source: World Health Organization, and World Bank, International Debt Statistics

feeling the impact of lower commodity prices, COVID-19 shocks and a rapid rise in the cost of funding.

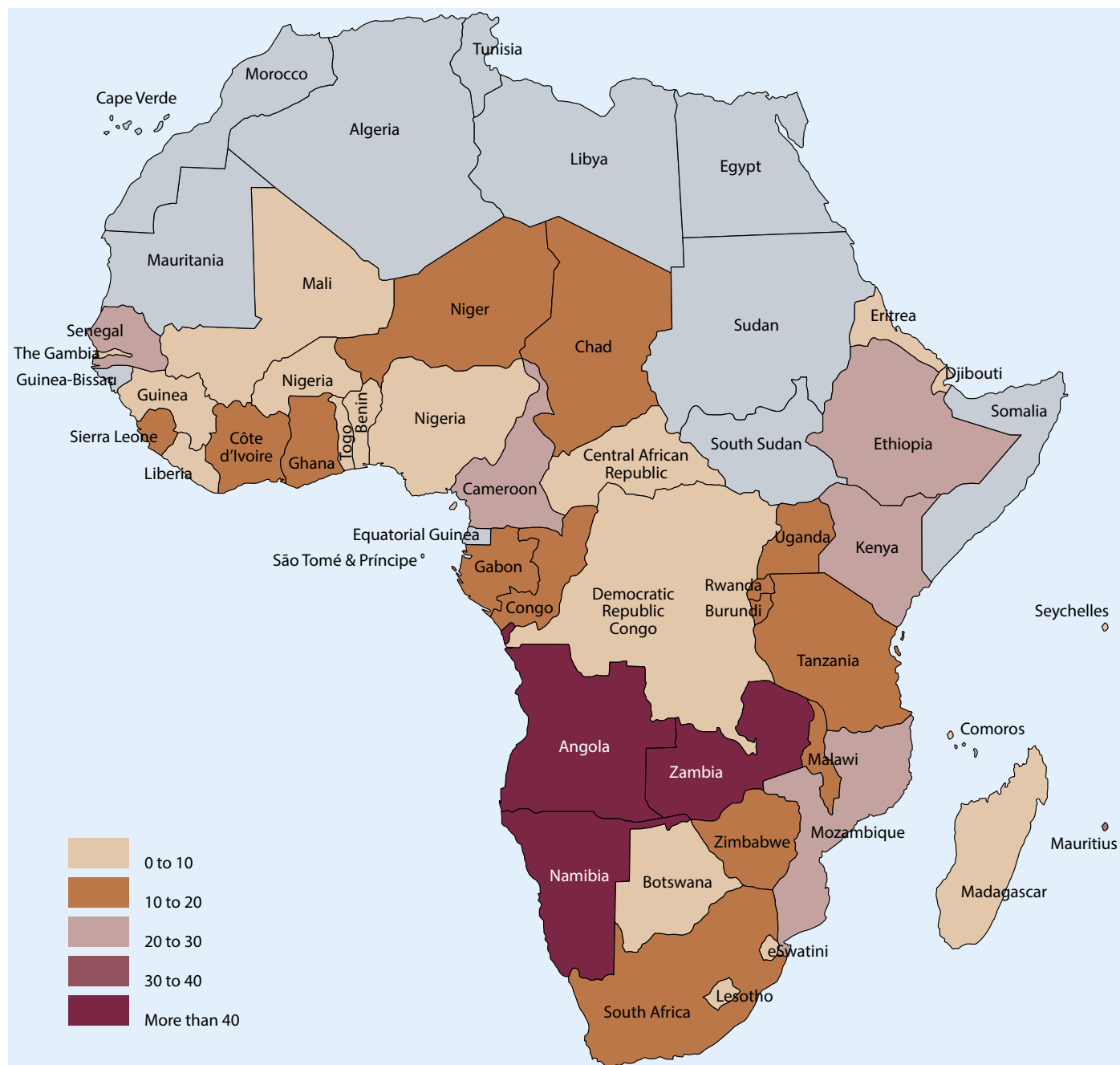
Faced with this trifecta, and already weak balance sheets, many countries struggled to find the fiscal resources to fulfil their external obligations. This left them with three options in the face of rapidly escalating debt service costs – delay, restructure or default.

It was against this backdrop that African leaders called for a moratorium on interest payments in order to

avert humanitarian and economic catastrophes. The subsequent creation of the Debt Service Suspension Initiative (DSSI) in April 2020 – pioneered by the G20 group of official creditors – at first seemed a potential solution to avert a full-blown sovereign debt crisis.

Although well intentioned, it failed to make an impact owing to opacity around its mechanics and its limited scope. Importantly, it had two major flaws: first, private participation was voluntary rather than mandatory; and

Figure 4: African debt service forecasts for 2021



Source: The Economist Intelligence Unit

second, it did not adequately account for the role of bilateral creditors such as China that were excluded from the initial process. Together, these make up the lion's share of Africa's external debt obligations, at around 55%.

The failure by African governments, creditors and rating agencies to find a compromise to this impasse eventually led Zambia to default in November 2020. This has now cast a shadow over the capacity of several other African countries to service their debt, with fears of contagion taking root.

The World Bank has predicted that average sub-Saharan African debt could reach a high of 67.4% of gross domestic product (GDP) in 2021. This is much higher than the threshold of 60% of GDP typically recommended by the Bank and the IMF. In its debt sustainability template, the World Bank also suggests that most African countries are at either moderate or high risk of debt distress.

Although sub-Saharan African growth could recover to roughly 3% in 2021, this remains precarious. It is also contingent on a global recovery, which is not guaranteed, especially given the sluggishness in regional vaccination initiatives.

Where do things currently stand?

In recent months, the Common Framework for Debt Treatments, which proposes a collective creditor approach and policy support under a pre-emptive restructuring exercise, has replaced the DSSI. It has sought to address many of these outstanding issues. A number of gaps have been remedied, including the

participation of China and the introduction of new processes and conditionalities.

Debt treatment will now be undertaken on a country-by-country basis, with several other prerequisites. Countries seeking debt restructuring through the framework must undergo a Debt Sustainability Analysis, conducted jointly by the IMF and World Bank. They must also join an unspecified IMF programme, which can be used even if they are in arrears with private creditors.

However, it is still unclear how the private sector will participate and on what terms.

Private creditors fear that debt suspension will eventually turn into cancellation, and that they will be forced to carry the can for the ensuing losses. Meanwhile, governments worry that their participation in the initiative could trigger automatic ratings downgrades/defaults. This would inflict severe reputational damage and a loss of market access.

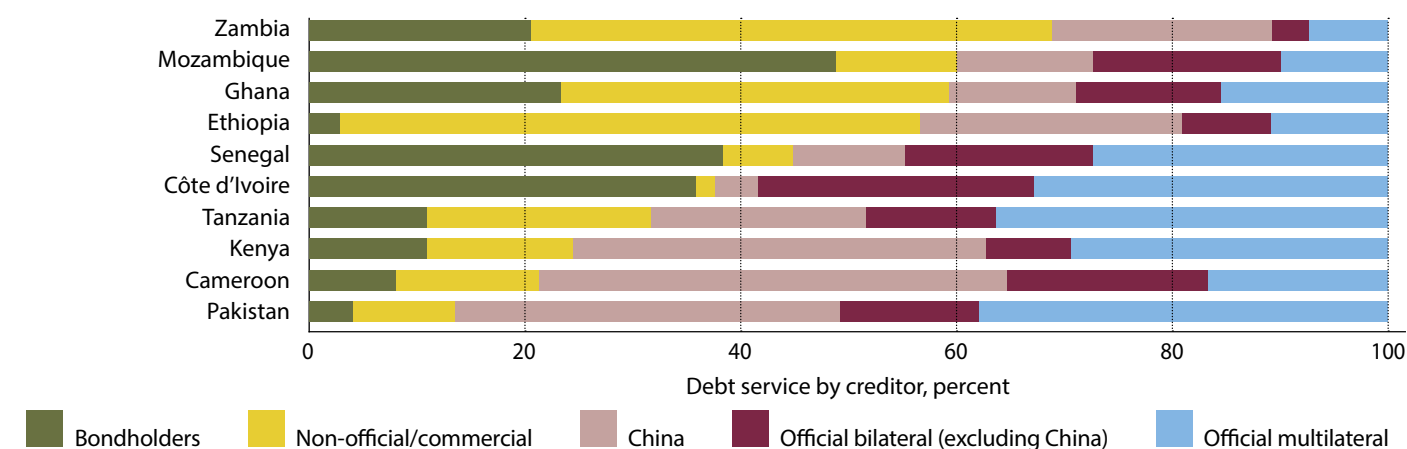
To this end, the central issue remains the same – creating a solution that addresses the short-term funding needs of distressed states while preserving future market access in a way that does not disadvantage private sector creditors.

So what is fuelling the current gridlock?

Many investors are concerned about the issue of moral hazard. Specifically, their worry is that the COVID-19 crisis will be used as a get-out-of-jail-free card by misbehaving leaders who have not exercised fiscal discipline.

Yet these investors cannot be absolved of criticism either. Faced with cheap liquidity and low yields in

Figure 5: Composition of debt profile by country



Source: World Bank, International Debt Statistics

developed markets, they took on outsized risks and received outsized rewards through high yields.

For their part, cash-strapped leaders argue that the current crisis is unique. They claim that Africa's pre-existing public health and economic deficiencies left it disproportionately vulnerable to the negative externalities of the crisis compared to more developed counterparts. African leaders may even decide to renege on their obligations, particularly if creditors are recalcitrant.

Thus, private creditors have to be careful in their approach – if they play hardball it is unlikely to end well in the court of public opinion, despite their being within their legal rights.

Similarly, leaders need to bear in mind that a 'kamikaze' stance risks unleashing further destructive contagion, closing the taps of a valuable and much-needed funding source. Reconciling these positions is the nub of the issue.

How the continent now manages its relationships with international creditors will have a significant bearing on its future economic performance.

A grim outlook?

Beyond debt issues, governments will also need to adapt to changing external realities. COVID-19 has accelerated the trend toward isolationist policies. It has forced developed markets to focus almost exclusively on their own economies at the expense of financial aid and concessions to other countries.

In 2020, global foreign direct investment (FDI) dipped to its lowest level since 2005.²¹ At the same time, further reductions in funding, most likely donor aid, stemming from lower tax revenues and nationalist pressures in the developed world, are likely.

With reduced global demand and supply chain disruptions, any recovery is likely to be slow and protracted. Worryingly, Ghanaian Finance Minister Ken Ofori-Atta believes that the downturn could last up to three years.

This sentiment is echoed by Albert Muchanga, the AU's Commissioner for Trade and Industry, who feels that hopes of a rapid recovery are unrealistic. He notes that '[c]apital is a coward, so it will take some time before FDI starts flowing back in full force to the continent'.²²

Vaccine economics: a ray of positivity?

In 2021 'vaccine economics' will be the key determinant of global growth, with the success or failure of any recovery dependent on how quickly the pandemic can be arrested. Africa's economic growth could in fact rebound in 2021, provided that governments manage the COVID-19 infection rate well, according to updated forecasts from the African Development Bank.

Continued supportive global fiscal and monetary conditions through the better part of 2021 will act as a tailwind for African economies, even though most domestic policy war chests are maxed out. Growth prospects should be driven by stronger global demand, trade, higher commodity prices and a resumption of tourism. Increased confidence in the global recovery could act as another boost.

Such developments have implications for the continent, whose vulnerability to boom-bust scenarios is well documented. After a devastating 2020, the gradual loosening of the pandemic straitjacket and the onset of a commodity bull market will boost the balance sheets of exporting African countries like Angola, Nigeria, Gabon and Zambia.

The African Continental Free Trade Agreement: catalysing commerce

Intra-Africa trade can also act as an important stimulus, especially at a time when debt burdens are growing, tax revenues falling, and fiscal deficits exploding.

Certainly, governments must take a long view of the benefits of continental free trade, for individuals and businesses and for the fiscus. If all 55 African countries join the free trade area, it will be the world's largest by the number of countries, with more than 1.3 billion people and a combined GDP of US\$3.4 trillion, according to the World Bank.²³

The benefits are immense. With concerns over food security, protectionism, visa regimes and a rise in xenophobia surfacing worldwide, it is important to ensure these impulses are checked in Africa.

Despite the obvious challenges, there are reasons for optimism, including the establishment of the African Continental Free Trade Area (AfCFTA) Secretariat in Accra last year and the start of physical trading on 1 January 2021. That said, Africa's policymakers still need to resolve three key dilemmas.

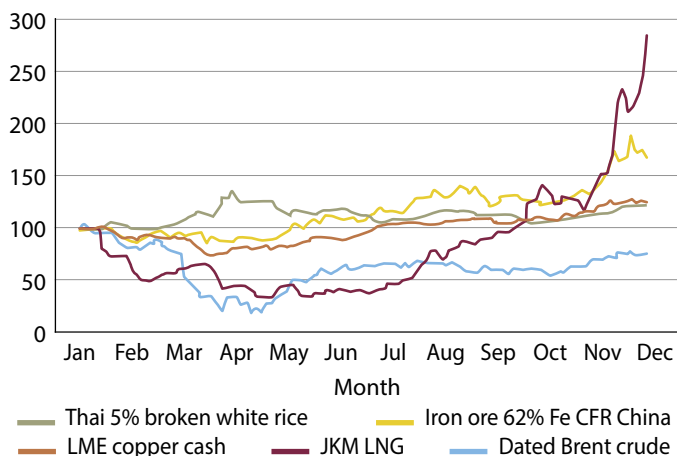
Figure 6: Rising commodity prices

A new supercycle? Why commodities prices are surging in 2021

From LNG in Asia to scrap metal in Turkey and Brent crude, the price of commodities assessed by S&P Global Platts have surged to new heights. The rally has triggered speculation of a new supercycle in commodities driven by stimulus spending and a weaker US dollar. "A key factor is growth observed in the East led by China where we see demand above 2020 levels," said Chris Midgley, head of Platts Analytics.

2020 Surge in price coincides with plummet in US Dollar Index

JKM prices lead rally (Index 2 January 2021 = 100)



Commodities' inverse relationship to dollar holds during 2020

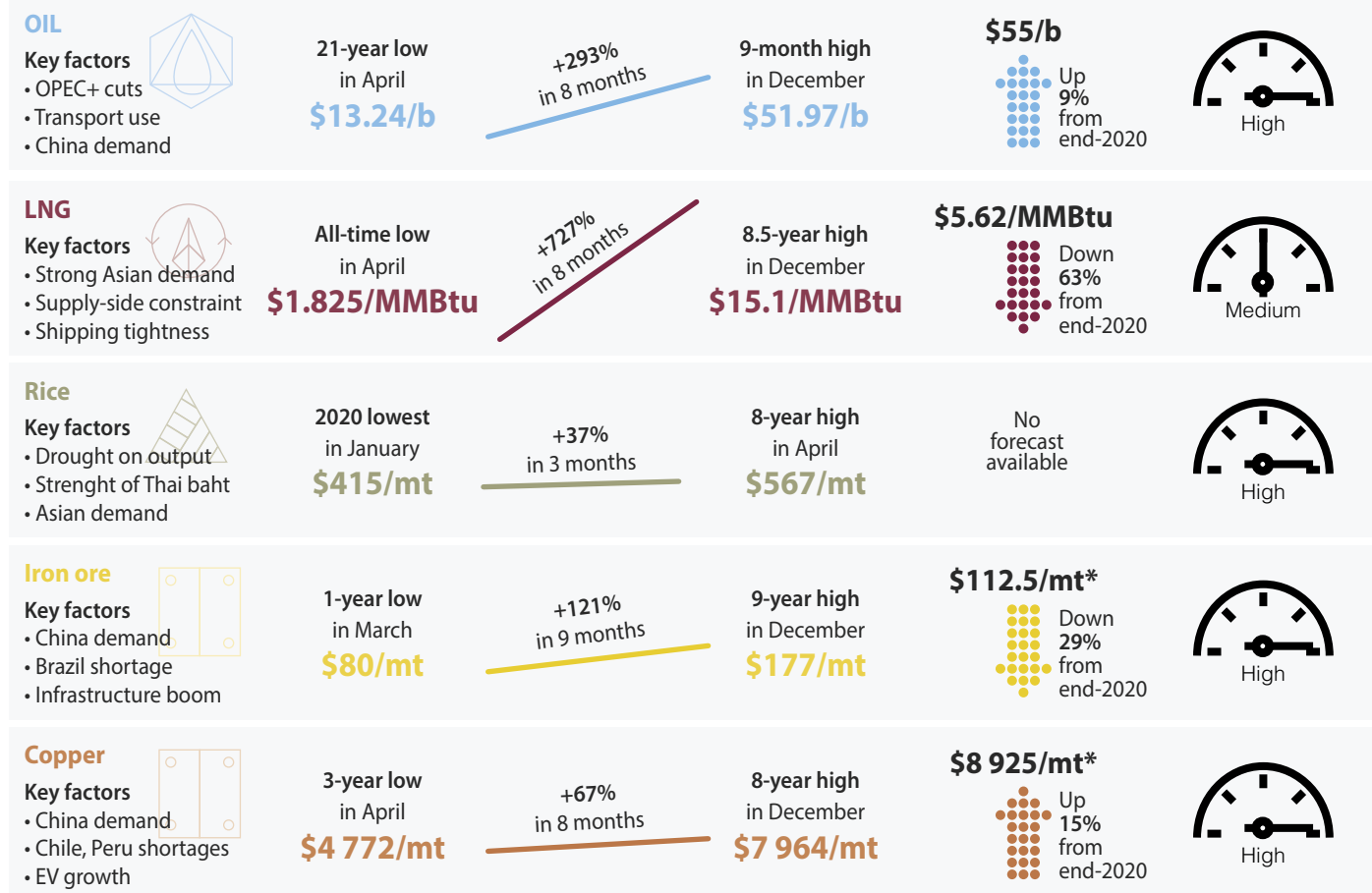


Can the rally be sustained in 2021?

2020 price surge

End-2021 price outlook

Price sensitivity to dollar

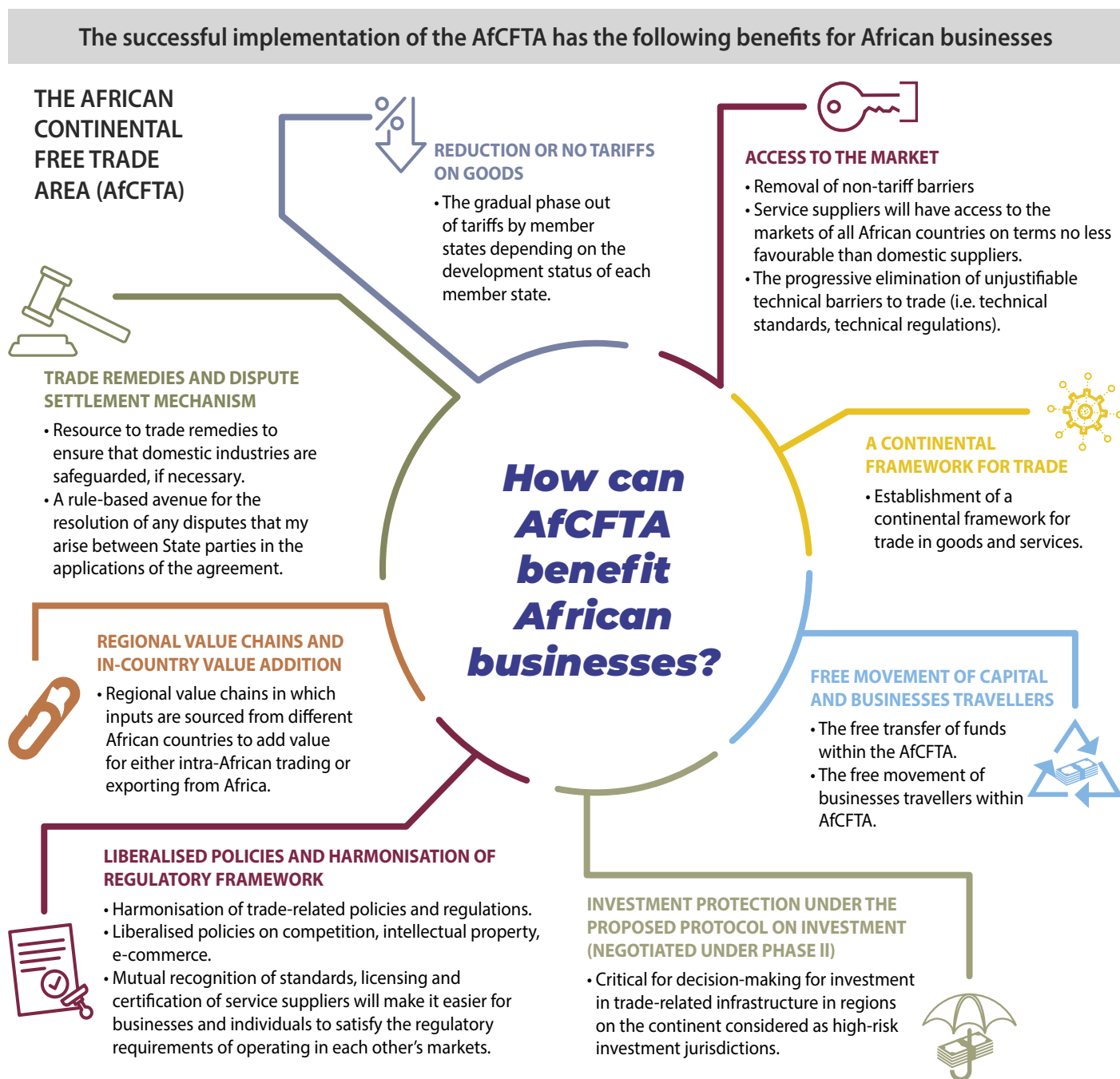


Source: S&P Global Platts

* Analyst consensus

- Harmonising Africa's heterogeneous economies under one agreement: there are massive infrastructure and industrialisation development gaps among AU members. More developed African countries must take the lead in avoiding trade mismatches that could destabilise economies and drive a wedge between the continent's economic powerhouses and smaller states.
- Obtaining significant trade-offs from political leaders: they will need to think beyond short-term election cycles and cede sovereignty in policymaking. Aligning continental objectives with a domestic agenda will not be easy, especially as global populism and nationalism are rising, along with protectionist impulses.
- Ensuring buy-in from politicians: they must accept that the benefits for their countries far outweigh stalling the entire process over pockets of discontent. This narrative must translate from a top-down,

Figure 7: Understanding the impact of the AfCFTA



Source: CDH Insights – African Continental Free Trade Area

Legend:

- Instrument of ratification deposited
- Confirmation of parliamentary approval pending
- AfCFTA Agreement signed
- AfCFTA Agreement not signed

Country	Date
Ghana	10/05/2018
Kenya	10/05/2018
Rwanda	26/05/2018
Niger	19/06/2018
Chad	02/07/2018
eSwatini	02/07/2018
Guinea	16/10/2018
Côte d'Ivoire	23/11/2018
Mali	01/02/2019
Namibia	01/02/2019
South Africa	10/02/2019
Congo Republic	10/02/2019
Djibouti	11/02/2019
Mauritania	11/02/2019
Uganda	09/02/2019
Senegal	02/04/2019
Togo	02/04/2019
Egypt	08/04/2019
Ethiopia	10/04/2019
Gambia	16/04/2019
Sahrawi Arab Democratic Republic	30/04/2019
Sierra Leone	30/04/2019
Zimbabwe	24/05/2019
Burkina Faso	29/05/2019
São Tomé & Príncipe	27/06/2019
Equatorial Guinea	02/07/2019
Gabon	07/07/2019
Mauritius	07/10/2019
Central African Republic	22/09/2020
Angola	04/11/2020
Lesotho	27/11/2020
Tunisia	27/11/2020
Cameroon	01/12/2020
Nigeria	05/12/2020
Malawi	15/01/2021
Zambia	05/02/2021

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technocratic agreement to a bottom-up one that benefits citizens. The divide between 'average Joes', business and politicians must be bridged. Doing so will allow these comparative advantages to be leveraged for the benefit of the wider continent.

Free trade agreements are complex and fragile, and their impact is only as strong as the willingness of signatories to adhere to the rules. The AfCFTA's success will be measured by its implementation.

There will almost certainly be teething issues (including around regional economic communities and rules of origin). Yet, the start of trade after years of preparation could be the catalyst Africa needs to accelerate continental manufacturing, e-commerce, digitisation and food security.

Geopolitical impact of COVID-19 on Africa

The deep and protracted COVID-19 crisis threatens to disrupt the global order. Its fallout could trigger a realignment in international relations and result in the roles of key actors being altered fundamentally as they aim to quell political and financial disruptions to their economies.

With a recalibration of strategic priorities, it follows that the outlook becomes more ambiguous and uncertain. These geopolitical considerations are important for Africa to consider, because the interplay between global superpowers has profound ripple effects on the continent's economic wellbeing.

Vaccine diplomacy

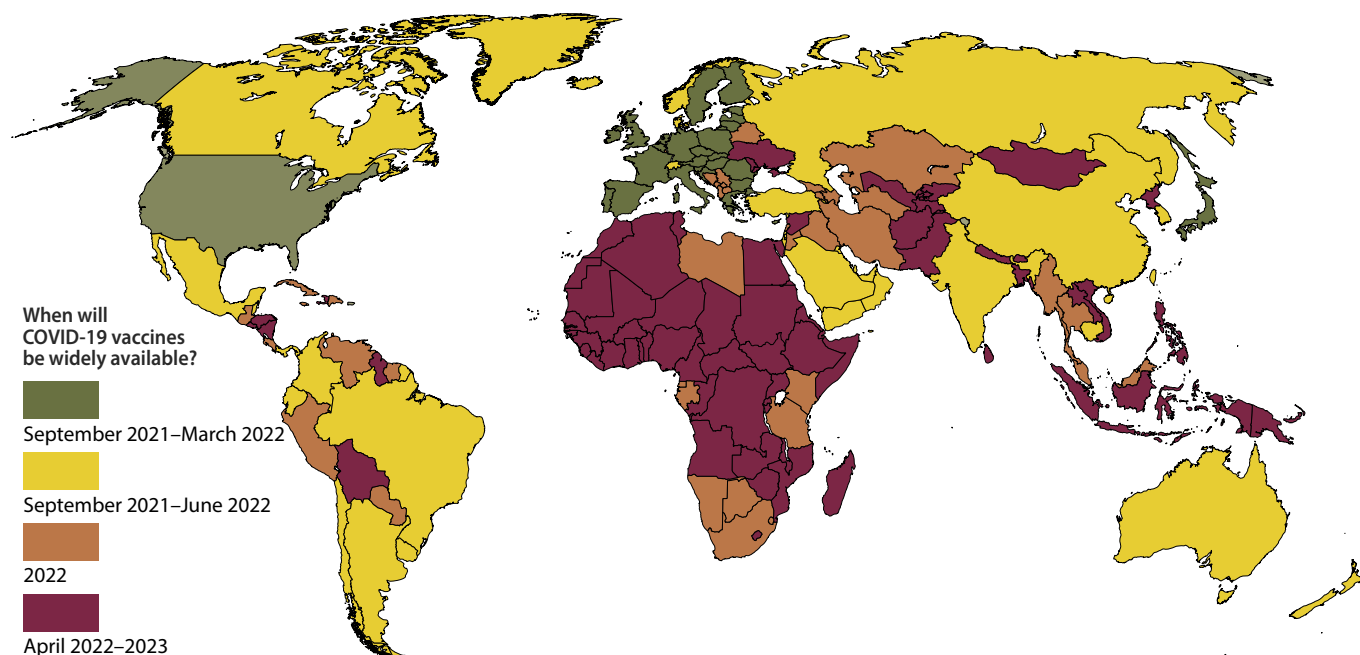
Vaccine diplomacy will take centre stage in the global political economy in 2021. It is rapidly becoming an important tool in the arsenal of superpowers as they seek to expand their geostrategic influence.

Affordable and equitable access to COVID-19 vaccines could dramatically affect the global economic recovery. Their speedy and effective rollout represents a huge opportunity to redraw global power maps and reshape strategic alliances. The stakes are high and the competition intense to achieve both first-mover advantage and scale.

In this context, Africa will emerge as a key theatre of competition.

























However, vaccine nationalism is becoming a major risk for low-income countries, which fear being pushed to the back of the queue. Indeed, the prevalence of what Thomas Bollyky and Chad Brown

Figure 9: Vaccine inequality will hit Africa hardest



Source: *The Economist Intelligence Unit*

Figure 10: Assessing the vaccines

How some of the COVID-19 vaccines compare			
Company	Type	Doses	Storage
 AstraZeneca-Oxford	Viral vector (genetically modified virus)	x2 	 2 to 8 °C (6 months)
 Pfizer-BioNTech	RNA (parts of virus genetic code)	x2 	 -25 to -15 °C (7 months)
 Moderna	RNA	x2 	 -80 to -60 °C (6 months)
 Gamaleya (Sputnik V)	Viral vector	x2 	 -18.5 °C (liquid form) 2 to 8 °C (dry form)
 Sinovac (CoronaVac)	Inactivated virus (weakened virus)	x2 	 2 to 8 °C
 Sinopharm	Inactivated virus (weakened virus)	x2 	 2 to 8 °C
 Novavax	Protein-based	x2 	 2 to 8 °C
 Janssen Johnson & Johnson	Viral vector	x2 	 2 to 8 °C (3 months)

Source: UK government, Reuters

term 'my country first' approaches to COVID-19 is 'now dividing the world into vaccine-haves and vaccine-have-nots' and generating fears that Africa will remain an economic laggard in this process.²⁴

The continent's policymakers have the following options: Johnson & Johnson (US), Pfizer (US/Germany), Moderna (US), AstraZeneca-Oxford (UK), Sinovac/Sinopharm (China) and Sputnik V (Russia).

Any purchasing decision will need to balance cost and effectiveness with regulatory and logistical considerations.

To achieve herd immunity, the continent must vaccinate 60% of its population, or about 780 million people. The Africa CDC has said some 1.5 billion doses are needed for that, assuming two doses per person. It estimates the effort will cost some US\$10 billion.²⁵

As it stands, most African countries are relying on the COVAX facility – a global alliance of countries and institutions that seek to provide developing nations equitable access to vaccines. However, there are concerns about its rollout and reach, and a number of countries have started to look elsewhere for alternatives.

Vaccine diplomacy will intensify US–China competition for soft power globally, and will likely accelerate existing trends of emerging spheres of influence for Washington and Beijing. This already spans technological, financing and diplomatic dimensions in Africa, and healthcare is simply the latest addition to this mix.

China has mounted a charm offensive, indicating its intention to make its vaccines available as a ‘public good’ in poorer regions such as Africa and Latin America, in what is being dubbed a ‘healthcare Silk Road’. However, this largesse is not entirely altruistic, with Beijing hoping for long-term diplomatic returns.

In Africa, Egypt and Morocco began to roll out the Sinopharm vaccine in Q1 2021. While it will almost certainly be more affordable than that of Western rivals (possibly even free via strategic donations), there are some question marks about its efficacy.

Vaccine diplomacy will intensify US–China competition for soft power globally

Unlike Moderna, AstraZeneca and Johnson & Johnson, little information has been published about the safety or efficacy of Chinese vaccines. This lack of transparency has created a significant trust deficit.

At the same time, US pharmaceutical groups such as Johnson & Johnson and Moderna have begun their vaccine rollouts. Although Washington under the Trump administration showed little interest in helping to distribute them overseas and was notably absent from the COVAX alliance, this position has shifted under the Biden administration.

In one of his first moves upon assuming office, President Joe Biden pledged to rejoin both the WHO and the COVAX facility, boosting multilateral relief efforts.²⁶ Meanwhile, with Brexit concluded and the UK restating its desire to become ‘global Britain’, the relatively low

cost of its AstraZeneca–Oxford vaccine could be used to further this agenda.

Russia has also garnered significant attention for its potential to plug the gap. Indeed, perceptions of Russia’s flagship vaccine, Sputnik V, are largely positive in Africa, despite its not having undergone rigorous clinical trials.

Argentina, cash strapped with a myriad of governance challenges, has indicated that it will pursue the Sputnik option, while Guinea became the first African nation to take this path. This could serve as a template for other African countries in similarly difficult positions, especially those where Russian influence is already on the rise.

Russia and China’s style of engagement differs markedly from that of the West, which has been criticised for being both paternalistic and overtly capitalistic. With pharmaceutical companies courting criticism for prioritising profits over people, this is an obvious area where China and Russia, with their state-backed approaches, can win hearts and minds. They could then translate this goodwill into expanded trade and investment ties and strategic interests.

The situation may also leave the door ajar for developing countries such as India to pursue policies of ‘vaccine goodwill’.²⁷ For New Delhi, the ‘vaccine race’ has become an effective avenue to further its African aspirations, particularly given its formidable pharmaceutical manufacturing capacity.

If Western countries continue along the path of vaccine nationalism and these vaccines remain either unaffordable or inaccessible, the neglected global South will ultimately be forced to turn to more benevolent partners. Current circumstances create fertile conditions for new power dynamics, spurred by vaccine diplomacy, to take root.

Geopolitical chess

This contest is merely an extension of the ongoing strategic rivalry between global powers, which places Africa at the centre of its grand power designs. Countries with strategic value will be courted and find themselves at crossroads, needing to make critical choices that best serve their national interests.²⁸ As the powers compete for access and influence, and ultimately economic gain in this new game of geopolitical chess, Africa will need to make smart decisions.

Africa: kingmaker or piggy-in-the-middle?

Collective African leadership has long been an aspirational yet elusive concept. Despite sound intentions, plans for greater unity have failed to fully materialise owing to political agendas, divergent visions, economic fragmentation and a lack of cohesion. However, recent developments have given renewed impetus to the idea that a new spirit of continental leadership may be in the offing.

The partnerships that African leaders choose – and the deals they strike now – will determine the success or failure of the continent. It is therefore essential to devise a calculus based on the continent's future development needs rather than short-term gratification. This will require a strategic rather than tactical approach, significant positive agency, and learning from the mistakes of bygone eras.

Africa's leaders need to recognise that relevance will only be achieved as a collective. Using the power of the collective gives both scale and gravitas to Africa's global voice and will allow it to adopt a more muscular approach to international affairs. When viewed at a continental level, features such as its population, market size, favourable demographics, rapid urbanisation, rising middle class and technological advances become too big to ignore.²⁹

By 2050, one in four people will be African.³⁰ As the world's youngest continent, Africa's future is largely the future of the global economy. Foresighted nations will understand that getting African countries on their side may be their best chance at sustained economic growth over the next century.

This gives African leaders increased bargaining power at an opportune time, when virtually every major global trade, finance and governance agreement is open for renegotiation.³¹

Political impact of COVID-19 on Africa

Uncertain terrain

The impact of COVID-19 on African politics has been far from straightforward. With the introduction of social distancing protocols and severe lockdown measures in the early stages of the pandemic, there was initially huge doubt around whether elections would proceed as scheduled.

The increased logistical and operational burdens placed on electoral commissions (as cash-strapped governments diverted limited resources to the healthcare sector) led to expectations that electioneering would take a backseat to short-term firefighting. At the same time, it was unclear what measures would be instituted to ensure people's safety at public gatherings and whether these would be sufficient to mitigate the risks.

Overlaid with the vitally important question of money (specifically, electoral financing and declining revenues, and the knock-on effects on patronage), the outlook became opaque. The central questions that emerged were how elections would be financed and administered; and whether this could be achieved in a credible way that ensured the legitimacy of the process and outcome.

Now, with lockdowns lifting and daily life resuming, it is important to look ahead. This analysis assesses the implications for governance, explores how the pandemic might affect democracy on the continent, and looks at what it might mean for state structures, political representation and the social contract between states and their citizens.

Catch 22: push ahead or postpone?

This challenge was best captured by Ashley Quarcoo, who wrote that, 'while election delays may be good for public safety, they can be risky for democracy'.³² Forging ahead as scheduled might make incumbent leaders appear callous and reckless, by treating voters as cannon fodder amid ongoing contagion. Furthermore, proceeding in a context of severely reduced political participation would cast a shadow on the credibility of the ballot and could dilute the mandate of the winner.

Conversely, extending term limits and mandates 'due to the virus' risks creating a political backlash. The legitimacy of such measures would almost certainly be challenged by opposition parties, and could foment constitutional crises.

This was certainly a key consideration for Ethiopia, which was due to go to the polls in August 2020 but ultimately postponed. The reasons for this included an incomplete census and voter registration process, financial and personnel constraints and insecurity in parts of the country.

Given the high-stakes nature of elections in that country, the decision was pragmatic. However, rather than setting a precedent, this has been the exception.

Indeed, the re-run of Malawi's presidential election took place amid ongoing concerns about the virus. Côte d'Ivoire, Tanzania and Ghana proceeded without any material changes to their schedules. As observed by Quarcoo, 'In some cases, governments intentionally proceeded with elections, knowing reduced turnout may serve their purposes of remaining in power'.³³

Restrictions on public gatherings is another feature of the incumbent's playbook. It became clear, for example, that the administration of Ugandan President Yoweri Museveni would use the pandemic to justify its attempts to stifle opposition activities ahead of the 2021 general elections.

In addition to leveraging the power of incumbency, leaders have exploited the pandemic by positioning themselves as protectors-in-chief in a time of crisis. Of course, this strategy is not unique to Africa – it mirrors the tactics used by strongman leaders across the globe, such as Viktor Orban (Hungary) and Recep Tayyip Erdoğan (Turkey).

Disillusionment, a growing culture of instant gratification and election fatigue have enhanced the appeal of charismatic, messianic leaders who promise quick-fix solutions. As Quarcoo notes,

With many citizens confronting serious public health risks and economic misfortunes, elections may be viewed as merely an exercise for reinstating the same leaders and policies that have little impact on improving their lives. Such public malaise is a warning sign for advocates of democratic elections, particularly if citizens express a willingness to trade away timely elections for more effective economic policies at the hand of a strongman.³⁴

Authoritarian creep

There are significant risks to this, mostly notably around the issue of authoritarian creep.

As Shaun Walker states,

Most countries across the world have introduced some form of extraordinary measures to battle COVID-19, and even many democratic governments have faced little dissent over changes that in normal

times would have been met with months or years of furious parliamentary debate.³⁵

The danger is that such emergency measures, which curtail human rights and restrict personal freedoms to further safety and security, will become permanent rather than temporary.

Indeed, with crisis responses globally giving central governments a more muscular role, incumbents are using this as an opportunity to expand their sphere of influence, clamp down on dissent, and cement their authority through the politicisation of the healthcare and security sectors.

Zimbabwe – where President Emmerson Mnangagwa made his deputy and political rival Constantine Chiwenga the health minister – is emblematic of such political score-settling and proxy wars.

Most countries across the world have introduced some form of extraordinary measures to battle COVID-19

In South Africa the National Coronavirus Command Council has become an ideological battleground over management of the country and economy, highlighting ongoing factionalism and policy incoherence in the ruling African National Congress.

At the same time, opposition parties across the continent have effectively been neutralised through a series of executive measures, under the guise of protecting public safety. Nowhere has this been more apparent than in Tanzania, where the late Magufuli strengthened executive authority through a series of draconian measures.

By clamping down on dissent and media freedom, closing the political space to civil society and restricting the ability of the opposition to mobilise and gather, the Magufuli administration consolidated the advantages of incumbency ahead of the ballot.

President Abdel Fattah el-Sisi of Egypt has used the COVID-19 crisis to amend emergency powers that have been in force since 2017, further strengthening the military's grip on power. Consequently, with the rights to

protest, assemble and freedom of speech coming under further attack, the democratic gains of the Arab Spring have been reversed.

Repression has been the theme *du jour* in Zimbabwe too, where the government has unleashed a brutal, heavy-handed crackdown on prominent activists.

However, these regimes should be cautious. With the stakes so high, mishandling the situation could galvanise disillusioned and disaffected citizens with nothing to lose. Rather than seeing stayaways, reduced political engagement and limited protest action (as initially anticipated), poor management of the pandemic could become a lightning rod for other governance issues.

In this context, the sustained pressure from protestors in Mali (and resultant regime change) is a wake-up call to complacent and underperforming governments.

This authoritarianism extends into the digital domain. With governments now using technology to enhance disease surveillance, coordinate response mechanisms and promote public awareness, it is important to be alert to the misuse of data and technological tools.

Through tracing apps, website blocking and Internet shutdowns, there is a growing risk of digital rights coming under threat, especially in Africa, where digital infrastructure and regulation lags behind the rest of the world.

At the heart of the challenge is the need to balance the use of such measures for the public good with the protection of personal freedoms. While well intentioned, pandemic-related surveillance and data-based tracking interventions have been rushed, with limited precedent and oversight mechanisms. Without a General Data Protection Regulation (GDPR) equivalent in Africa to regulate their use, significant threats to democracy are likely to emerge.

Silver linings?

Taken together, these rising authoritarian tendencies do not bode well for the future of democracy on the continent, risking lasting damage to the polity.

That said, there are a few silver linings. Looking ahead, it will be interesting to see whether upcoming elections will serve as referenda on governments' responses to COVID-19.

With governance failures so glaringly exposed by the pandemic, it could act as an impetus for citizens to demand greater accountability. If this results in a shift in the political culture towards one that is more performance-driven (instead of being based on legacy factors such as ethnicity and religion), there may yet be benefits.

Additionally, the death of several African politicians may also act as a catalyst to reform decaying healthcare systems. Having underfunded public hospitals for years and without access to medical facilities abroad, the continent's ageing leaders are now rapidly falling victim to the virus. By the end of 2020, 11 political figures had died of COVID-19 in South Africa.³⁶

In Eswatini, the country's prime minister, Ambrose Dlamini, also succumbed to the virus, while Malawi lost two senior cabinet ministers and two other senior political figures to COVID-19. It is believed the death of the corona-sceptic presidents of both Burundi and Tanzania was also a result of the virus.³⁷

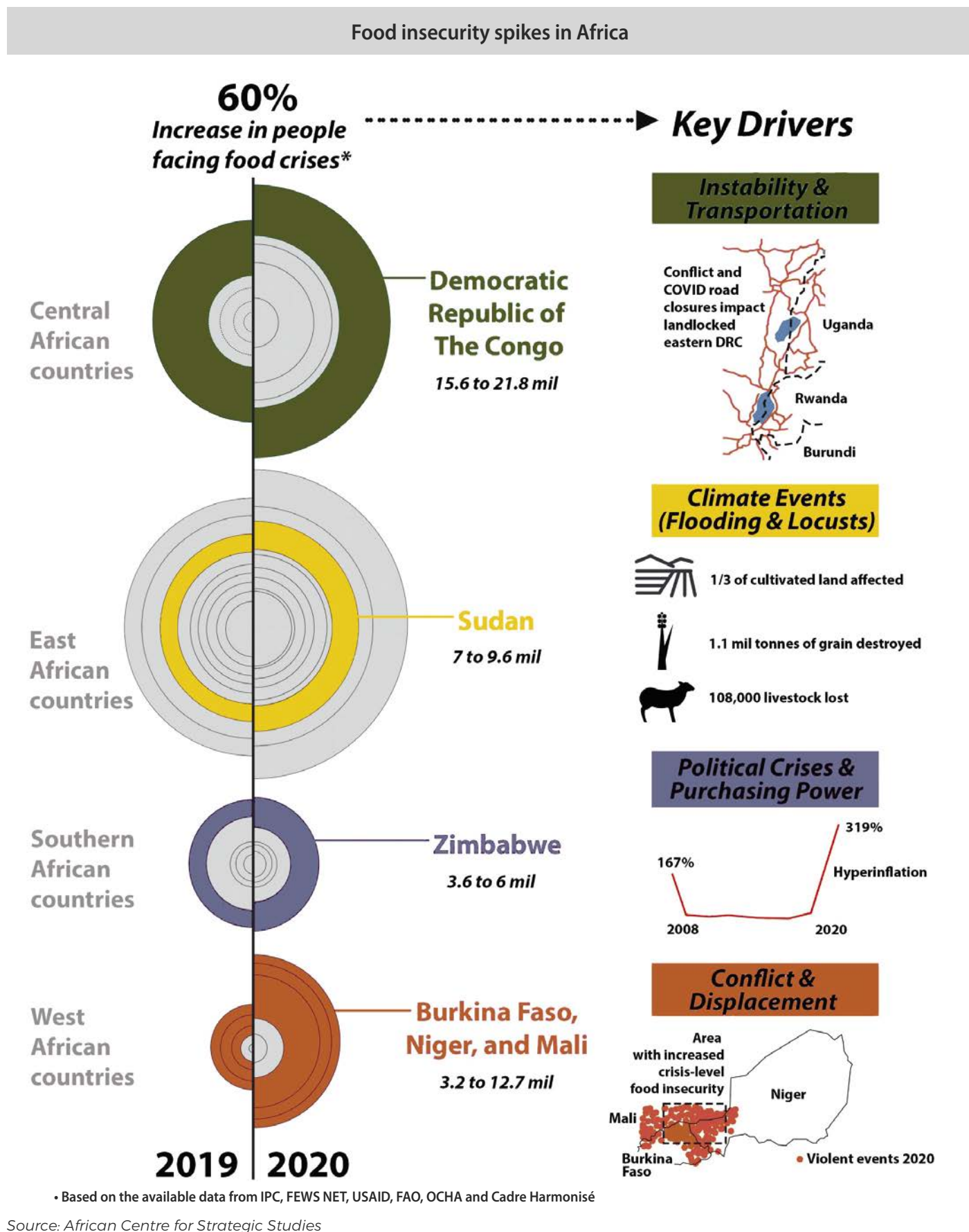
The death of several African politicians may also act as a catalyst to reform decaying healthcare systems

Rashweat Mukundu has said he hopes the pandemic will act as a wake-up call now that politicians are becoming victims of their own incompetence:

For the first time, our politicians and senior government leaders are confronting the reality of the decay in our health system; over the past few years they would fly to South Africa, to China, to Malaysia for treatment, but right now they have to face the years of neglect of which they are the chief parties.³⁸

Such developments will hopefully mark an inflection point and prompt a clear distinction between those African governments that believe in science and those that do not. More technocratic and less populist leadership may yet be a silver lining arising from this pandemic, given the very real and egalitarian consequences.

Figure 11: Food insecurity spikes in Africa



This shift is already evident in Tanzania, where new President Samia Suluhu Hassan has adopted a data- and science-based approach to combatting the virus.³⁹

Lastly, African governments that have performed well see a 'rally around the flag' phenomenon, resulting in greater trust between governments and their electorates. Indeed, an optimistic scenario assumes that governments will positively disrupt themselves to govern effectively, thereby fostering a spirit of national cohesion and patriotism. Responsive, caring and holistic government approaches – evidenced in countries like Rwanda – show how this might play out.

Security impact of the COVID-19 pandemic

The security implications of the pandemic are significant and multidimensional. In many countries it has been weaponised by non-state actors to exploit poor service delivery and state failure.⁴⁰ Indeed, in contexts where state presence is weak or absent, non-state actors have stepped in to deliver services such as healthcare, education and sanitation.

In the African context, the most prominent example is in South Africa, where warring gangs in the Western Cape have been working together in an unprecedented truce to deliver much-needed food to people under lockdown.⁴¹

Non-state actors have stepped in to deliver services such as healthcare, education and sanitation

At the same time, Africans are growing increasingly disillusioned with rampant corruption, inadequate COVID-19 funding, and scandals related to personal protective equipment (PPE) and procurement.⁴² These have exposed states' lack of capacity to manage the COVID-19 outbreak.

Although significant, this is not a novel phenomenon. As noted by Dr Farah Hegazi,

intervention by non-state actors is and has been prominent in countries of the Global South – increasing since the 1980s – where governments face challenges in delivering public services. Such service provision approaches also extend to armed actors who, provided that they have the resources, also step in to fill the void. Examples range from the Taliban in Afghanistan, to the Mafia in Italy, to drug cartels in Latin America.⁴³

These types of approaches are clearly aimed at winning the hearts and minds of citizens, and present a compelling counterweight to ineffective government responses. Sensing an opportunity to further ideological and operational agendas, such entities have redoubled their efforts to win the support of citizens. Ominously, such actions could increase their legitimacy while undermining that of the state.

Terrorism is one area in particular that merits serious consideration. Although there was initially uncertainty around whether lockdowns and physical distancing would hinder their ability to recruit, radicalise, and plan and conduct operations, jihadi groups have both adjusted and accelerated their efforts.

Bulama Bukarti, a security analyst, has concluded that an increase in attacks across the continent is likely.⁴⁴

With states' personnel and financial resources already stretched, their ability to maintain physical security will be tested. Shifting military resources, the withdrawal of international peacekeepers and reduced counterterrorism operations are likely to amplify these pressures.⁴⁵

COVID-19 could lead to further territorial gains by extremist groups, which are already expanding their operational presence across the continent. Noteworthy,

[i]n West Africa, Boko Haram insurgents allied to ISWAP have stepped up activities. In the Horn of Africa, Al-Shabaab has continued to attack civilian populations in Somalia and Kenya with the most recent attack on a UN compound in Somalia. In Southern Africa, the Islamic State affiliated jihadi group has increased its attacks in Mozambique, ransacking the strategic port city of Mocimboa da Praia and designating it a part of the so-called caliphate.⁴⁶

More recently, the heinous attack in Palma in Cabo Delgado in March 2021 has threatened the

development of the country's nascent liquefied natural gas sector.

Concerningly, these groups are uniquely positioned to ramp up service delivery because they operate in areas where state presence is weak and contested. This situation is unlikely to change while governments struggle to contain the outbreak. With poor governance structures and porous borders, contagion into weak neighbouring states is a distinct possibility.

The COVID-19 environment is also likely to exacerbate food scarcity – a key driver of conflict. Henk-Jan Brinkman and Cullen S Hendrix illustrate that food insecurity is a 'threat and multiplier for violent conflict'. According to their findings, '[f]ood insecurity, especially when caused by higher food prices, heightens the risk of democratic breakdown, civil conflict, protest, rioting, and communal conflict'.⁴⁷

Food insecurity will likely increase owing to movement restrictions, while border closures, lockdowns and curfews – which have radically disrupted food supply chains – will compound problems.⁴⁸

Oxfam International estimates that as many as 12 000 people could die daily from hunger linked to COVID-19 – potentially more than from the virus itself.⁴⁹

In Africa, with more than 30 million refugees and 239 million undernourished people in 2018, this could trigger social unrest, especially when viewed in the context of other challenges such as extreme weather events, political conflict and economic shocks.⁵⁰

UN Secretary General António Guterres has also warned of an impending global food emergency, with potentially 50 million more people pushed into extreme poverty because of COVID-19.⁵¹ Africa will not be immune to the fallout.

Given these circumstances and the prospect of increasing state fragility, outward migration from Africa may burgeon in a post-pandemic world. This will remain a predatory undertaking for organised crime groups.

Across the developing world, COVID-19 is magnifying societal problems and worsening the food and financial shortages that give rise to terrorism. Taken together with economic stressors, crime rates will likely rise as people grow more desperate.

Misinformation and conspiracy theories add fuel to this fire. There will be further knock-on effects in the criminal underworld as broken supply chains, declining revenues and shifting markets threaten the sustainability of these nefarious 'business models'.

Zooming out, there are also implications for international peacekeeping and conflict prevention. Important peace agreements have been stalled, while mediation efforts in places have lost momentum.⁵²

The UN Security Council recognises the risk COVID-19 poses to countries transitioning out of conflict and in post-conflict countries, warning that peacebuilding and development gains could be reversed.⁵³

Although this makes for grim reading, some positive effects have also emerged from the pandemic. For example, South Africa registered just 94 homicides in the first few weeks of lockdown, compared with 326 during the same period the year before.⁵⁴ This trend was replicated in a number of other countries in Latin America and Africa.

Although this may only be a temporary reprieve, it nonetheless is a window of opportunity to take decisive action to address threats. Mexican security expert Alejandro Hope argues that governments can 'create state presence where it has never existed, to dismantle the main gangs of organised crime, to subvert their legitimacy, and modify the relationship between citizenship and the security and justice apparatus'.⁵⁵

The UN warned of a global food emergency with potentially 50 million people pushed into extreme poverty

If so, states may be able to use to the pandemic to their advantage. Decisive leadership, political will and adequate resources will determine the success of such endeavours.

Ryan Cummings, an expert on security matters across Africa, believes that African governments' management of their respective COVID-19 outbreaks will either weaken or strengthen the social contract.⁵⁶

Sustainable Development Index (SDI) 2014

Legend:

- Sustainable:** 10 - 20
- Stable:** 20 - 30
- Warning:** 30 - 40
- Alert:** 40 - 50
- Alert:** 50 - 60
- Alert:** 60 - 70
- Alert:** 70 - 80
- Alert:** 80 - 90
- Alert:** 90 - 100
- Alert:** 100 - 110
- Alert:** 110 - 120

Country abbreviations and SDI values:

Country	SDI
AE	U.A.E.
AL	Albania
AM	Armenia
AT	Austria
AZ	Azerbaijan
BA	Bosnia & Herz.
BD	Bangladesh
BE	Belgium
BF	Burkina Faso
BG	Bulgaria
BH	Bahrain
BI	Burundi
BT	Bhutan
CC	Congo (Rep.)
CH	Switzerland
CY	Cyprus
CZ	Czechia
DJ	Djibouti
DK	Denmark
EE	Estonia
ER	Eritrea
GE	Georgia
GQ	Eq. Guinea
GR	Greece
HU	Hungary
HV	Croatia
IL	Israel
JO	Jordan
KG	Kyrgyz Republic
KH	Cambodia
KW	Kuwait
LA	Laos
LB	Lebanon
LI	Lithuania
LV	Latvia
LX	Luxembourg
MD	Moldova
ME	Montenegro
MK	North Macedonia
MW	Malawi
NL	Netherlands
QA	Qatar
RS	Serbia
RW	Rwanda
SG	Singapore
SI	Slovenia
SK	Slovakia
TJ	Tajikistan
TN	Tunisia
UG	Uganda

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In the case of the former, a lessening of already weak public trust in the state will encourage people facing socioeconomic and political marginalisation to address their grievances through means that could subvert state authority.

All considered, the combination of food, economic and physical insecurity will present a series of compelling and interrelated problems for African leaders to contend with in the next phase of the crisis.

If left unaddressed, it risks enhancing the influence of non-state criminal entities, as Cummings notes. Under these circumstances, organised crime would find fertile conditions to flourish.

Business impact of COVID-19 on Africa

The response of the private sector is vitally important in resource-constrained African countries.

New approaches

It is apparent that now, more than ever, companies need to keep customers and employees at the centre of their focus. For many enterprises that have experienced deep or prolonged disruptions, this means rethinking their business models and pushing their creative boundaries. Agile business innovations are a necessity to survive a threat like COVID-19.

The pandemic could positively disrupt the way governments engage with the private sector as savvy innovation, robust partnerships and efficient resource mobilisation become essential elements of crisis management. In this sense, COVID-19 may have inadvertently been the catalyst required for business and governments to find common ground, thawing previously tense relationships.

Such synergies are already evident

- On a pan-African level, AfroChampions – which was created to help fight Ebola – launched the COVID-19 response fund in partnership with the AU and the Africa CDC, aiming to raise over US\$150 million to support the continental response and procure medical supplies. Funds are contributed by a coalition of African banks, including Ecobank, Standard Bank

and Equity Bank; several private equity firms; and healthcare companies.

- In Nigeria, the Dangote Group, Access Bank, Zenith Bank, Guaranty Trust Bank, MTN and KPMG have formed the Coalition Against COVID-19 (CACOVID), which is providing financing for the immediate purchase of medical supplies and the creation of isolation centres. Guaranty Trust Bank transformed a stadium into a 110-bed isolation centre within five days in partnership with Lagos State.
- In South Africa, the private sector has lent its support and funding to efforts such as Spire (South African Pandemic Intervention and Relief Effort), Cobra (COVID Business Rescue Assistance) and SAFT (South Africa Future Trust).
- In Kenya, various start-ups created the Safe Hands Kenya platform to distribute free masks, soap, hand sanitizer, cleaners and disinfectants at thousands of distribution points.⁵⁷ 'All parties have committed to a zero profit margin on Safe Hands' activities and to delivering with speed even to the last mile.'⁵⁸
- In Tanzania, Barrick Gold Corporation, which was entangled in a protracted dispute with authorities, is one of the leading commercial sponsors of initiatives in response to the pandemic. This includes US\$1.7 million in critical equipment and expertise, and the development and equipping of five quarantine centres.

A more caring form of capitalism that prioritises people over profits could emerge in the aftermath of the crisis

The hope is that these initiatives are not a flash in the pan. If such collaborations are properly harnessed, they could set a template for future engagement and reverse the trend of acrimony that has compromised investment in many countries. With the common goals of preventing systemic economic collapse, protecting workforces and ensuring the survival of industry, businesses and governments have redoubled their damage control efforts.

Aligning these incentives and sustaining this momentum may be the challenge in a post-COVID-19 world. If done well, the benefits could be two-fold. First, there could be a shift in focus for companies

from shareholder value to stakeholder value – an area of particular importance considering Africa's huge inequality gap. A more caring form of capitalism that prioritises people over profits could emerge in the aftermath of the crisis.

Second, viewing business as a strategic partner could result in material improvement in the business environment and investment climate as governments become more responsive to the private sector's needs.

New opportunities

Economic diversification in Africa must be ramped up significantly. This is an opportunity to use the crisis to strengthen industrialisation efforts towards long-term productive, strategic and employment-generating goals.

- Accelerated digitisation and technological focus means that companies and governments will need to become agile in the face of fast-evolving challenges or risk falling behind. Upgrading operating systems to be fit for the Fourth Industrial Revolution is now non-negotiable for public and private sector entities. If done well, this could dramatically increase the efficacy of the public service while allowing businesses to reach previously overlooked constituencies. The impact of increased connectivity and innovation could be pronounced – offering opportunities to overcome many traditional barriers to entry.
- As food security becomes an issue amid heightened nationalism and border closures, African countries can unlock their significant comparative advantage in this regard to become the breadbasket of the world. Africa has about 600 million ha of uncultivated arable land, roughly 60% of the global total.⁵⁹ Yet the continent has among the lowest agriculture yields in the world, making it ripe for positive disruption.
- The global trade landscape is likely to change dramatically, as countries begin to mitigate the risks of an overreliance on Chinese production and imports (onshoring). The crisis could be the incentive Africa needs to accelerate continental manufacturing. These events will force countries to spread the sourcing of goods across several geographies and drive the need to 'onshore' production. Economics dictate that low-cost providers will always have an advantage in attracting business, and the low cost of labour in Africa leaves it uniquely positioned to offer an alternative to single-source production.

All of these areas will need to be underpinned by the AfCFTA, which will enhance regional integration, create more efficient value chains and unlock ecommerce potential. This is crucial to facilitate the transition towards modern, competitive and sustainable African economies.

Implications for the African state

COVID-19 is the defining political, economic and psychological event of our lifetime and will drive disruption and transformation for years to come. The anatomy of the crisis is key to understanding how it will impact the role of the state and society.

Several questions are critical to understanding this reconfiguration.

The post-pandemic state: big and active, or small and passive?

Taken together, the hangover effects of the 2008 financial crisis, which necessitated state intervention to save capitalism from itself, together with the 'Great Lockdown', which required state intervention to prevent a humanitarian and economic catastrophe, has paved the way for a more interventionist state.

In the face of the unfolding crises, the need for governments to step in and address a wide range of problems that markets could not or would not solve on their own has become widely accepted. Further, and unlike previous episodes of this nature, the state has had to simultaneously fulfil the dual mandate of saving both the financial and real economies, and businesses and people.

Indeed, recent trends mark a shift from the Thatcher-Reagan era of laissez-fair economics to one where 'government is no longer "the problem", but overwhelmingly "the solution"'.⁶⁰

The case for bigger government has been strengthened in recent months. Countries that have mounted a strong, centralised response, such as South Korea, Germany and China, have done a far better job containing the virus than traditional powers such as the UK and US that adopted a more liberal approach.

However, this approach has not been universally accepted, with many suggesting a slippery slope to autocratic governance. One group of technologists,

civil liberty organisations and academics has warned that 'the combination of the [new emergency coronavirus bill] with existing far-reaching data-gathering powers creates the risk that location and contact-tracking technology could be used as a means of social control'.⁶¹

With heightened restrictions on movement and widespread quarantines, the success of these trade-offs for 'safetyism' will depend on such sacrifices being shared equally under a new social contract. More specifically, the question is to what extent people will be willing to sacrifice liberty for efficiency and security, and whether this will be temporary or permanent.

In short, the themes of big debt, big entitlements and big encroachments are likely to be obvious by-products of the crisis. To perform and fund these functions, the state essentially has two avenues: social insurance and redistribution.

The anatomy of the crisis is key to understanding how it will impact the role of the state and society

Economically, with public spending likely to increase and the appeal of state capitalism and welfare state finding greater resonance, higher taxes, greater borrowing or a switch to unconventional monetary policies could become options. Each of these carry substantial political trade-offs.

In advanced economies, there is an expectation that the state provides defence, justice, compulsory education and healthcare. In Africa, the situation is more complicated owing to overstretched resources and maladministration.

Herein lies the challenge for African leaders, who will need to break from current extractive and exploitative governance practices, restore economic and living conditions, and avert mass unemployment. Doing so will require innovative thinking in public policy design and execution, as well as a recalibration of political cycles.

But with the state already playing a dominant, if inefficient, role in many of these economies, the

question of how to square this circle is key. More specifically, can African states – often the largest inhibiting factor – move from big to bigger government to create social insurance systems and public services in health, education and housing? Or will this trend simply lead to greater corruption and patronage and exacerbate existing problems?

Here, an important distinction needs to be made between an active government and a good government. Indeed, this will be the fundamental challenge for the African state: it needs to develop into a supportive rather than corrosive force in society; one that takes the lead in fulfilling a societal agenda.

However, recent evidence suggests that the situation is deteriorating. In the 2020 Ibrahim Index of African Governance, the African average score for overall governance fell by -0.2 points, registering the first year-on-year score deterioration since 2010.⁶² As Mo Ibrahim said:

This is a testing time for Africa. Pre-existing weaknesses and challenges in African governance, as uncovered by the 2020 IIAG, are exacerbated by COVID-19, which also threatens economic progress. Citizens' dissatisfaction and mistrust with governance delivery are growing. African states have an opportunity to demonstrate both their resolve to safeguard democracy and their ability to drive a new growth model that is more resilient, more equitable, more sustainable, and more self-reliant.⁶³

However, Eric Scheye and Eric Pelser question the role and function of the state in driving this agenda.⁶⁴ Their analysis for the ISS acknowledges African realities, existing capacities and the inherently compromised African state, which they argue is incapable of delivering on this mandate.⁶⁵

Less rather than more state involvement should be urgently prioritised in an African context

They refer to a 2019 study of African organised crime that found that 'embedded state actors' are the 'most prominent' and virulent type of organised criminal entrepreneur to illustrate why alternative solutions outside of state reliance are required.

They make a compelling argument as to why less rather than more state involvement should be urgently prioritised in an African context. 'The state should be seen as one actor among many rather than the principal foundation on which development is predicated. Governments should be encouraged to standardise, coordinate, support and help finance initiatives that enable community control of local resources,' they argue.⁶⁶

Africa's current leadership: fit for purpose?

In a climate of uncertainty, trust has become the new currency. Female leaders in Denmark, Finland, Germany, Iceland, Norway, Taiwan and New Zealand have demonstrated how to achieve this. As opposed to the egotistical populism seen in some of the leading nations of the world, their pragmatic approach has hinged on transparency, decisive action, the use of technology and compassion.

The real lesson here may be not that these countries are successful because their leaders are women, but that they are successful because they have more inclusive societies where women are represented in positions of power.

This is in sharp contrast to the African continent, where the political landscape is dominated by men, and more specifically old men. This highlights a gender and generational disconnect between the continent's leaders and those they lead. While the average age in Africa is below 30, leaders are likely to be twice that and, in many cases, far older.

Can ageing leaders cope with the fast-evolving demands of Africa's growing young population?

The short answer is no. As Kenyan author Nanjala Nyabola succinctly puts it, Africa is attempting to navigate an era of 'digital democracy with analogue politics'.⁶⁷

There is an urgent need to transform to reflect changing demographics and aspirations. Africa, by 2030, will have the youngest population on earth. While young people are receiving a better education than previous generations, they are also more unemployed. They are feeling increasingly disconnected from the political process and devoid of economic prospects,

and are no longer prepared to sit by idly while their governments underperform.

Moreover, existing leadership structures do not adequately represent the needs and desires of Africa's youth. This is evidenced by the violent uprisings in Mali and Nigeria in 2020. The common feature of these protests is a movement against complacent leaders and governments alienated from their citizens.

The lack of both urgency and agency to address these issues has shone the spotlight on what effective, engaged and efficient African leadership would look like.

Chances are that to succeed, leadership will need to become increasingly young, female, agile and tech savvy to reflect contemporary political and economic realities.

However, simmering discontent with the status quo, coupled with elites' failure to address longstanding governance issues, could also see the emergence of a new type of political class.

In line with global trends, with a rise in demagogues, strongman politicians and political celebrities, Africa too could see political outsiders exploiting political vacuums by promising radical and transformative change.

Access and inclusion: can the post-pandemic world level the playing field?

As African countries battle the fallout of COVID-19, there is a realisation that they need to radically overhaul their economic strategies. The pandemic offers an opportunity to catalyse growth in innovative new industries. Amid strained resources and magnified challenges, colouring Africa's economic canvas with creative solutions is crucial not only to survive but to thrive.

The 'flat white' economy holds technological and digital opportunities (the term reflects Western digital start-ups' being born in coffee shops). Owing to low barriers to entry and high growth potential, the flat white economy is a rare chance for Africa to leapfrog the developed world – when it comes to technological disruption, a lack of existing infrastructure can be a competitive advantage.

By 2025 the Internet economy has the potential to contribute US\$180 billion to Africa's economy, growing to US\$712 billion by 2050.⁶⁸

Africa's experience with mobile phones is often cited as a case in point. The mobile revolution enabled many consumers in Africa to go straight from having zero telephony to mobile telephony.

Telecoms companies could circumvent many of the legacy constraints that fixed lines would have imposed, such as investment in fixed-line infrastructure, while reducing obstacles for consumers, such as long lead times for installation.

As digital transformation is expedited by COVID-19, this area is ripe for expansion. According to the World Bank, digital economic transformation could raise Africa's GDP per capita by 1.5% and reduce poverty rates by 0.7% per year.⁶⁹

Africa's Silicon Savannah is leading the charge. The US\$14.5 billion project in Nairobi houses cutting-edge tech start-ups alongside established international companies such as IBM and Microsoft. Built to encourage an exchange of ideas, companies such as AB3D (which turns electronic waste into 3D-printed artificial limbs) have emerged.

The flat white economy is a rare chance for Africa to leapfrog the developed world

Technology offers a 'transformative power' that can help African youth to overcome disadvantages such as geography and access to formal education. However, it can also amplify inequality by leaving people behind in the race for relevant skills and so worsen unemployment.

At the same time, the IMF estimates that the informal sector contributes between 25% and 65% of Africa's GDP.⁷⁰ As much as 85.5% of employment on the continent is estimated to be in the informal market, in jobs such as street vending and unregistered taxi services, operating outside the realm of taxation (or workers' rights).⁷¹

Formalising the informal economy would give workers greater protection and access to capital, which in turn could accelerate economic growth and help fund public investment.

To bring the grey economy into the light, policymakers could consider India's strategy of digitising the economy and reducing reliance on cash. The elimination of certain banknote denominations and the move to the national digital Aadhar identity system – required to access bank accounts and public services – are leaving fewer incentives for the informal sector to operate outside the law.

Although there are many negative effects, the drive to formalise the informal economy – not least to widen the tax net, enhance the efficacy of fiscal policy and plug leakages – may be a positive impact of the pandemic.

Data, technology and e-governance: digital dystopia?

In an era of bigger government, it is only natural to assume that this reach will extend into the digital domain. Indeed, the intersection of technology, politics and governance is reshaping the nature of political engagement both globally and in Africa.

Prior to the pandemic, Internet shutdowns were increasingly used by African governments in the face of political threats and protest. Similarly, draconian legislative measures have also been used in countries such as Tanzania to close the political space and suppress dissent.

There is now concern that these technologies, rather than being used to increase accountability and enhance connectivity, will be used for nefarious purposes.

Whereas social media and the Internet were initially seen as a threat to the restrictive culture of Africa's old guard, governments are now using digital technologies in their own favour.

For Africa, two issues in particular need to be wrestled with.

First, the rise of digital authoritarianism is manifesting in both hard and soft dictatorships. In hard digital dictatorships, governments exercise control over their citizens by denying them access to content or data and restricting them from either accessing or sharing dissenting views. At the same time, governments restrict people's ability to engage online.

Soft digital dictatorships are far more insidious and slowly rising in prominence. They are characterised by governments and political parties using data and

social media to monitor information and spread disinformation to manipulate citizens. This happens frequently, but usually without people's consent or knowledge.

While this practice is in its infancy in Africa, it is increasing in both sophistication and frequency as the surveillance state becomes more widely accepted. Through track and trace technologies, and under the guise of protectionism, this 'big brother' phenomenon is yet another page in the new authoritarian playbook.

Second, there is a technological tension between access and privacy. Here, Africa is emerging as a battleground for digital competition between global superpowers.

A coordinated, multi-stakeholder approach is needed to stifle these anti-democratic trends

China's Huawei is currently the leading contender for controlling stake in the 5G networks that will dominate the telecommunications space for the foreseeable future. China is well aware of the strategic geopolitical advantage that soft-power technology holds for its Belt and Road initiatives.⁷² Civil society activists have expressed concerns over data security, personal privacy and freedom of speech linked to these technologies.

However, in Africa, consumers care less about surveillance and more about access to technology and social media, and the multiplier effects these offer in improving their daily economic realities.

Therefore, while more subtle methods are needed to 'hack' the system in advanced economies, these methods resonate less in Africa. Cheap communications, increased access to global markets and economic opportunities often far outweigh the potential loss of autonomy and freedom.

As such, emerging economies in Africa are likely to feel justified in ceding control of their communications networks to Chinese players rather than more 'ethical' and transparent players like the US. Such strategic competition will no doubt have externalities – both positive and negative.

Looking ahead, a coordinated, multi-stakeholder approach is needed to stifle these anti-democratic trends, which threaten to adversely affect citizen engagement, political participation and quality of governance if left unchecked.

The state and corruption: how will organised crime be impacted?

Pandemic-induced recessions have caused scores of businesses to collapse, produced massive layoffs and placed severe stress on national institutions and public expenditure. Overwhelmed, many states and law enforcement agencies have left gaps in their emergency responses. These are being exploited by organised crime groups.

This happens both opportunistically (desperate people looking to make a living) and strategically (established criminal enterprises expanding their power through targeted interventions).

Times of crisis frequently stretch formal governance systems, giving illicit market actors an opportunity to capitalise. Moreover, reduced social and public services leave desperate people in search of alternative forms of support, sustenance and leadership.

The role of the state as a key vector in organised crime should now be fully appreciated

Dr Derica Lambrechts, a political scientist at Stellenbosch University, describes the situation as follows:

More empirical research is emerging, confirming the devastating ability of the pandemic to divide already fragmented societies. The pandemic has provided established groups with the opportunity to assess the way in which they work, but also expand their operational footprint and commodities traded in. More noticeable, however, is the way in which less organised alliances have managed to seize illicit market gaps in local communities. The pandemic unfortunately unmasked state capacity gaps and functional holes, that were easily (temporarily) filled by these criminal gangs.⁷³

Interestingly, the pandemic has both reduced certain organised crime activities while providing opportunities for new ones. Initial data indicated that trafficking in persons, arms and drugs seemed to have slowed, while cybercrime and the black market in medical supplies grew – testimony to the resilience and adaptability of organised criminal groups.

In the African context, a few areas in particular stand out.

Graft relating to state procurement of medical supplies has been staggering. Criminal syndicates in many countries, including South Africa and Kenya, have cheated governments and consumers with faulty and counterfeit PPE.⁷⁴

Other methods have included outsourcing delivery to companies owned by relatives or friends to supply medical equipment and services to the state at inflated prices in exchange for kickbacks. The relaxation of tender and procurement rules as governments rushed to prepare healthcare systems for an anticipated influx of patients made it easier for funds to be misappropriated.

This grand-scale corruption, however grotesque, is hardly surprising. Governments that engage in corruption were unlikely to veer off course when it came to managing COVID-19 relief funds. Institutional capacity was too weak and the political culture too entrenched for this to change overnight, crisis or not.

The pandemic has simply magnified existing shortfalls. In fact, it has highlighted how the state or embedded state actors are often at the centre of, and derive benefit from, such illicit activities. The role of the state as a key vector in organised crime should now be fully appreciated.

The closure of land, sea and air borders has increased people's need for the services of smugglers to cross borders. Despite an initial disruption to smuggling routes and supply chains, illicit drug trafficking quickly adapted.⁷⁵ The trends in human smuggling are also of grave concern: with schools closed, the pandemic has forced more children onto the streets in search of food and money, increasing their risk of sexual exploitation.

This adaptability extends to the domain of terrorism. Interpol observes that some terrorist groups such as Al-Shabaab have changed their rhetoric to focus on anti-government messaging, going so far as suggesting that governments have failed to protect their people.⁷⁶

Disinformation has also been used in Somalia, with Al-Shabaab claiming that the virus is spread by foreign soldiers.⁷⁷ The purpose of this misinformation could be to attract more supporters and justify attacks on international military forces.

Another area of concern is the wildlife sector. This and other natural resources are the lifeblood of the tourism industry in Africa. With countries on lockdown and both foot flow and revenues declining, normal activities in national parks and protected areas that bring additional eyes and ears into these spaces have all but dried up. This substantially increases the threat of poaching.

Information already suggests that the sale of wildlife parts and derivatives is moving online.⁷⁸ As digital access grows across the continent, organised crime groups are turning to the Internet to conduct their illicit business.

These trends once again highlight the importance of a functioning social contract. Security, robust institutions, and public order and trust are central pillars in building strong and cohesive societies. Yet, when considering the expansion of organised crime on the continent, it is clear that they are either sorely lacking or underdeveloped.

The absence of these factors creates fertile conditions for nefarious agendas to take root, and for organised crime to thrive. As Gwen Ngwenya observed recently, 'when the official state cannot provide security, education, healthcare, or mobility- a parallel state develops'.⁷⁹

There is legitimate concern over the future of state governance and the political capacity of states to cope with the threats of extremism, potential conflict and expanding criminal power – most especially since they are often complicit in these efforts.

While the short-term impacts of crime and the movement of illicit products, particularly where there are governance vacuums and resource constraints, are cause for concern, the long-term impact on development is even more worrying.

Conclusion

The COVID-19 pandemic has laid bare many frailties in economies, government systems and business models. Caught flat-footed and wrestling to get a grip on a myriad of complex and interrelated issues, policymakers have scrambled for solutions.

The pandemic has shone a light on countries and continents, exposing long-standing deficiencies and inefficiencies in our societies. At the same time, this crisis offers an opportunity to pause and reflect – and to reshape the world in a different image.

As governments across Africa continue to battle COVID-19, vaccine nationalism, insecurity and economic stresses, they need to recognise that navigating this landscape successfully over the longer term will require a radical overhaul of the status quo and the adoption of creative and innovative strategies.

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Issue 04 | June 2018

Tackling heroin trafficking on the East African coast

Simone Haysom, Peter Gastrow and Mark Shaw

Summary

In recent years, the volume of heroin shipped from Afghanistan along a network of maritime routes in East and Southern Africa appears to have increased considerably. An integrated regional criminal market has developed, shaping and shaped by political developments. Africa is now experiencing the sharpest increase in heroin use worldwide, and a spectrum of criminal networks and political elites in East and Southern Africa are substantially enmeshed in the trade. New policy approaches are urgently needed.

Key points

- Responses should address the challenge as a cross-border criminal system.
- Progressive action should be targeted in major drug hubs along the southern route, focusing on vulnerable areas and potential sources of regional instability, such as northern Mozambique.
- The relationship between politics, business and organised crime must be adequately researched and addressed.
- Vetted private sector actors should be engaged to prevent or reverse the criminalisation of key ports.
- Support must be increased for community-based initiatives that mitigate the effects of drug use.
- Programming interventions to reduce violence in the most vulnerable communities affected by the heroin trade in Southern and East Africa should be considered.



POLICY BRIEF



Issue 04 | June 2018

The heroin coast

A political economy along the eastern African seaboard

Simone Haysom, Peter Gastrow and Mark Shaw

Summary

In recent years, the volume of heroin shipped from Afghanistan along a network of maritime routes in East and southern Africa appears to have increased considerably. Most of this heroin is destined for Western markets, but there is a spin-off trade for local consumption. An integrated regional criminal market has developed, both shaping and shaped by political developments in the region. Africa is now experiencing the sharpest increase in heroin use worldwide and a spectrum of criminal networks and political elites in East and southern Africa are substantially enmeshed in the trade. This report focuses on the characteristics of the heroin trade in the region and how it has become embedded in the societies along this route. It also highlights the features of the criminal-governance systems that facilitate drug trafficking along this coastal route.

Recommendations

- The East African heroin market forms an integrated regional criminal economy based on the transit of heroin from Afghanistan to the West.
- The transit economy relies on international ports and other infrastructure, and high levels of political protection.
- There is a rapidly growing consumer drug market in the region - one that is much larger than is commonly acknowledged.
- Despite some positive trends in drug users' ability to access health services in several locations in the region, there are nevertheless gaps in appropriate drug treatment interventions.



RESEARCH PAPER



Issue 06 | November 2018

The rise of counterfeit pharmaceuticals in Africa

Robin Cartwright and Ana Barić

Summary

Sustainable Development Goal 3 (SDG 3) places significant emphasis on populations' health, and sub-target 3.6 specifies access to safe, effective, quality and affordable essential medicines and vaccines for all. Yet, remarkably missing from the discourse around achieving this goal is the need to address the growing phenomenon of counterfeit medicines, which disproportionately affects developing countries. Counterfeit medicines put people's lives at risk, finance criminal groups and cause profound public health challenges. The full scale of the challenge in Africa is not fully understood, but research suggests that the problem and its impact are severe. If the continent is to make headway in achieving SDG 3, the issue of counterfeit medicines must move higher up on policy agendas. Experience elsewhere suggests that there would be scope for significant positive results.

Key points

- Addressing counterfeit medicines in Africa may help prevent widespread loss of life, including an estimated 64 000-158 000 avoidable deaths from malaria alone, as well as mitigating other public health and public safety risks.
- Much greater prioritisation of the issue by African states and continental or regional bodies is needed. The response should include a substantial overhaul of the analytical, legal, educational, regulatory and enforcement systems around medical supply chains. The legal and regulatory frameworks for combating medicine fraud will need strengthening.
- These responses would need to be coordinated within a global effort, including setting up a database of intelligence on counterfeits, and improved awareness-raising and training campaigns. National medicines regulation authorities should investigate mass serialisation forms of track-and-trace.



POLICY BRIEF



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Analysing drug trafficking in East Africa

A media-monitoring approach

Ciana Aucott

Summary

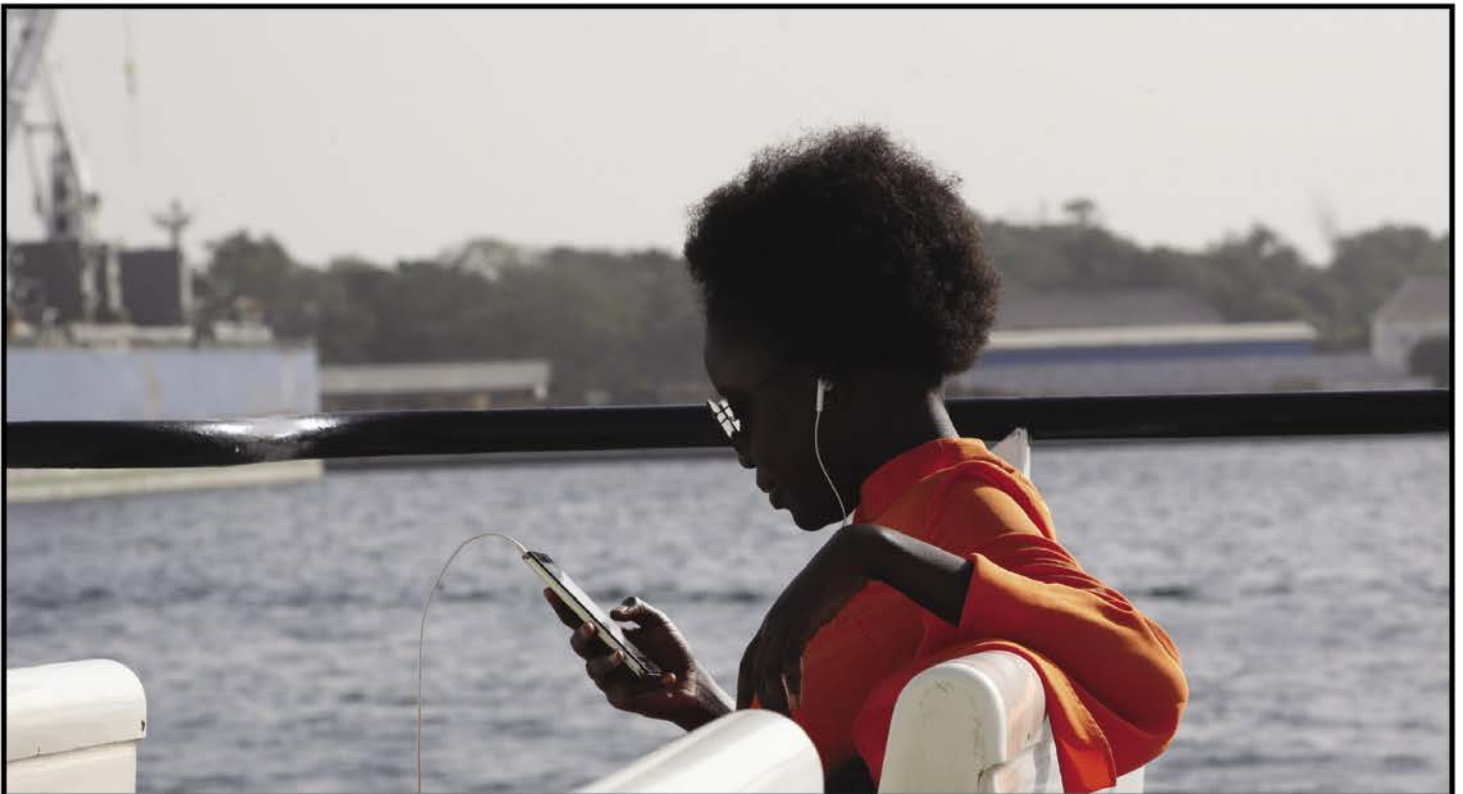
By analysing drug-related incidents reported in the media in three key East African nations over the past decade, this paper provides insights into drug trafficking in the region. This includes the different drug types in circulation across Kenya, Tanzania and Uganda, the quantities and trafficking methods used, as well as the origin, transit, and destination hubs. The report also suggests patterns in the actors involved, the nature of state responses and the reporting styles of the African and foreign press. The potential for improved sourcing using this methodology, and for greater public awareness of drug trafficking-related harms, lies in the development of stronger and more capable journalism in the region.

Key points

- East Africa plays an increasing role in the continent's illicit drug trade, particularly as a corridor for flows of heroin and cocaine.
- Media monitoring is an innovative way of gathering data to help illustrate trends in transnational organised crime, including drug trafficking trends.
- Findings show interesting patterns in reporting on major harmful drugs in the region, and the many challenges faced by journalists in investigating and publishing drug trafficking stories.
- The paper calls for greater press freedom and increased training and financial support for investigative journalism in East Africa, and across the continent more generally.



RESEARCH PAPER



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About the author

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About ENACT

ENACT builds knowledge and skills to enhance Africa's response to transnational organised crime. ENACT analyses how organised crime affects stability, governance, the rule of law and development in Africa, and works to mitigate its impact. ENACT is implemented by the ISS and INTERPOL, in affiliation with the Global Initiative Against Transnational Organized Crime.

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